
HOUSE BILL 2014

State of Washington 60th Legislature 2007 Regular Session

By Representatives Chase, Santos, Kenney, Hasegawa, Miloscia, Simpson and Ormsby

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1 AN ACT Relating to the regulation of conversion condominiums; and
2 amending RCW 64.34.440, 64.34.050, and 82.02.020.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 64.34.440 and 1992 c 220 s 25 are each amended to read
5 as follows:

6 (1)(a) A declarant of a conversion condominium, and any dealer who
7 intends to offer units in such a condominium, shall give each of the
8 residential tenants and any residential subtenant in possession of a
9 portion of a conversion condominium notice of the conversion and
10 provide those persons with the public offering statement no later than
11 ((~~ninety~~)) one hundred twenty days before the tenants and any subtenant
12 in possession are required to vacate. The notice must:

13 (i) Set forth generally the rights of tenants and subtenants under
14 this section ((and shall));

15 (ii) Be delivered pursuant to notice requirements set forth in RCW
16 59.12.040; and

17 (iii) Expressly state whether there is a county or city relocation
18 assistance program for tenants or subtenants of conversion condominiums

1 in the jurisdiction in which the property is located. If the county or
2 city does have a relocation assistance program, the following must also
3 be included in the notice:

4 (A) The terms and conditions under which relocation assistance is
5 paid; and

6 (B) Contact information for the city or county relocation
7 assistance program, which must include, at a minimum, a telephone
8 number of the city or county department that administers the relocation
9 assistance program for conversion condominiums.

10 (b) No tenant or subtenant may be required to vacate upon less than
11 ((ninety)) one hundred twenty days' notice, except by reason of
12 nonpayment of rent, waste, conduct that disturbs other tenants'
13 peaceful enjoyment of the premises, or act of unlawful detainer as
14 defined in RCW 59.12.030, and the terms of the tenancy may not be
15 altered during that period.

16 (c) Nothing in this subsection shall be deemed to waive or repeal
17 RCW 59.18.200(2). Failure to give notice as required by this section
18 is a defense to an action for possession.

19 (2) For sixty days after delivery or mailing of the notice
20 described in subsection (1) of this section, the person required to
21 give the notice shall offer to convey each unit or proposed unit
22 occupied for residential use to the tenant who leases that unit. If a
23 tenant fails to purchase the unit during that sixty-day period, the
24 offeror may offer to dispose of an interest in that unit during the
25 following one hundred eighty days at a price or on terms more favorable
26 to the offeree than the price or terms offered to the tenant only if:

27 (a) Such offeror, by written notice mailed to the tenant's last known
28 address, offers to sell an interest in that unit at the more favorable
29 price and terms, and (b) such tenant fails to accept such offer in
30 writing within ten days following the mailing of the offer to the
31 tenant. This subsection does not apply to any unit in a conversion
32 condominium if that unit will be restricted exclusively to
33 nonresidential use or the boundaries of the converted unit do not
34 substantially conform to the dimensions of the residential unit before
35 conversion.

36 (3) If a seller, in violation of subsection (2) of this section,
37 conveys a unit to a purchaser for value who has no knowledge of the
38 violation, recording of the deed conveying the unit extinguishes any

1 right a tenant may have to purchase that unit but does not affect the
2 right of a tenant to recover damages from the seller for a violation of
3 subsection (2) of this section.

4 (4) If a notice of conversion specifies a date by which a unit or
5 proposed unit must be vacated and otherwise complies with the
6 provisions of this chapter and chapter 59.18 RCW, the notice also
7 constitutes a notice to vacate specified by that statute.

8 (5) Nothing in this section permits termination of a lease by a
9 declarant in violation of its terms.

10 (6) Notwithstanding RCW 64.34.050(1), a city or county may by
11 appropriate ordinance (~~require~~) establish requirements with respect
12 to any conversion condominium within the jurisdiction of such city or
13 county that may include, but are not limited to, the following:

14 (a) In addition to the statement required by RCW 64.34.415(1)(a),
15 the public offering statement shall contain a copy of the written
16 inspection report prepared by the appropriate department of such city
17 or county, which report shall list any violations of the housing code
18 or other governmental regulation, which code or regulation is
19 applicable regardless of whether the real property is owned as a
20 condominium or in some other form of ownership; said inspection shall
21 be made within forty-five days of the declarant's written request
22 therefor and said report shall be issued within fourteen days of said
23 inspection being made. Such inspection may not be required with
24 respect to any building for which a final certificate of occupancy has
25 been issued by the city or county within the preceding twenty-four
26 months; and any fee imposed for the making of such inspection may not
27 exceed the fee that would be imposed for the making of such an
28 inspection for a purpose other than complying with this subsection
29 (6)(a);

30 (b) Prior to the conveyance of any residential unit within a
31 conversion condominium, other than a conveyance to a declarant or
32 affiliate of a declarant: (i) All violations disclosed in the
33 inspection report provided for in (a) of this subsection, and not
34 otherwise waived by such city or county, shall be repaired, and (ii) a
35 certification shall be obtained from such city or county that such
36 repairs have been made, which certification shall be based on a
37 reinspection to be made within seven days of the declarant's written

1 request therefor and which certification shall be issued within seven
2 days of said reinspection being made;

3 (c) The repairs required to be made under (b) of this subsection
4 shall be warranted by the declarant against defects due to workmanship
5 or materials for a period of one year following the completion of such
6 repairs;

7 (d) Prior to the conveyance of any residential unit within a
8 conversion condominium, other than a conveyance to a declarant or
9 affiliate of a declarant: (i) The declarant shall establish and
10 maintain, during the one-year warranty period provided under (c) of
11 this subsection, an account containing a sum equal to ten percent of
12 the actual cost of making the repairs required under (b) of this
13 subsection; (ii) during the one-year warranty period, the funds in such
14 account shall be used exclusively for paying the actual cost of making
15 repairs required, or for otherwise satisfying claims made, under such
16 warranty; (iii) following the expiration of the one-year warranty
17 period, any funds remaining in such account shall be immediately
18 disbursed to the declarant; and (iv) the declarant shall notify in
19 writing the association and such city or county as to the location of
20 such account and any disbursements therefrom; ~~((and))~~

21 (e) A declarant shall pay relocation assistance ~~((not to exceed~~
22 ~~five hundred dollars per unit shall be paid))~~, in an amount to be
23 determined by the city or county, to tenants and subtenants:

24 (i) Who elect not to purchase a unit ~~((and))~~;

25 (ii) Who are in lawful occupancy for residential purposes of a
26 unit; and

27 (iii) Whose monthly household income from all sources, on the date
28 of the notice described in subsection (1) of this section, was less
29 than an amount equal to eighty percent of ~~((+i))~~;

30 (A) The monthly median income for comparably sized households in
31 the standard metropolitan statistical area, as defined and established
32 by the United States department of housing and urban development, in
33 which the condominium is located ~~((τ))~~ or ~~((+ii))~~

34 (B) If the condominium is not within a standard metropolitan
35 statistical area, the monthly median income for comparably sized
36 households in the state of Washington, as defined and determined by
37 said department.

1 The household size of a unit shall be based on the number of
2 persons actually in lawful occupancy of the unit. The tenant or
3 subtenant actually in lawful occupancy of the unit shall be entitled to
4 the relocation assistance. Relocation assistance shall be paid on or
5 before the date the tenant or subtenant vacates and shall be in
6 addition to any damage deposit or other compensation or refund to which
7 the tenant is otherwise entitled. Unpaid rent or other amounts owed by
8 the tenant or subtenant to the landlord may be offset against the
9 relocation assistance; and

10 (f)(i) A declarant and any dealer shall not begin any construction,
11 remodeling, or repairs to any portion of a building that is to be
12 converted to a condominium or the lot on which the conversion
13 condominium is located:

14 (A) During the one hundred twenty-day notice period provided for in
15 this section; or

16 (B) Earlier than twelve hours after the last tenant or subtenant,
17 who elected not to purchase a unit and who is in lawful occupancy, has
18 vacated the premises.

19 (ii) For the purposes of this subsection, "construction,
20 remodeling, or repairs" means the work that is done for the purpose of
21 converting the condominium, not work that is done to maintain the
22 building or lot for the residential use of the existing tenants or
23 subtenants.

24 (7) Violations of any city or county ordinance adopted as
25 authorized by subsection (6) of this section shall give rise to such
26 remedies, penalties, and causes of action which may be lawfully imposed
27 by such city or county. Such violations shall not invalidate the
28 creation of the condominium or the conveyance of any interest therein.

29 **Sec. 2.** RCW 64.34.050 and 1989 c 43 s 1-106 are each amended to
30 read as follows:

31 (1) Except as provided in subsection (2) of this section, a zoning,
32 subdivision, building code, or other real property law, ordinance, or
33 regulation may not prohibit the condominium form of ownership or impose
34 any requirement upon a condominium which it would not impose upon a
35 physically identical development under a different form of ownership.
36 Otherwise, no provision of this chapter invalidates or modifies any

1 provision of any zoning, subdivision, building code, or other real
2 property use law, ordinance, or regulation.

3 (2) Any city, town, code city, or county legislative authority may
4 adopt laws or ordinances that restrict the number of conversion
5 condominiums that are approved annually or within any other time period
6 chosen by the legislative authority.

7 (3) This section shall not prohibit a county legislative authority
8 from requiring the review and approval of declarations and amendments
9 thereto and termination agreements executed pursuant to RCW
10 64.34.268(2) by the county assessor solely for the purpose of
11 allocating the assessed value and property taxes. The review by the
12 assessor shall be done in a reasonable and timely manner.

13 **Sec. 3.** RCW 82.02.020 and 2006 c 149 s 3 are each amended to read
14 as follows:

15 Except only as expressly provided in chapters 67.28 and 82.14 RCW,
16 the state preempts the field of imposing taxes upon retail sales of
17 tangible personal property, the use of tangible personal property,
18 parimutuel wagering authorized pursuant to RCW 67.16.060, conveyances,
19 and cigarettes, and no county, town, or other municipal subdivision
20 shall have the right to impose taxes of that nature. Except as
21 provided in RCW 64.34.440 and 82.02.050 through 82.02.090, no county,
22 city, town, or other municipal corporation shall impose any tax, fee,
23 or charge, either direct or indirect, on the construction or
24 reconstruction of residential buildings, commercial buildings,
25 industrial buildings, or on any other building or building space or
26 appurtenance thereto, or on the development, subdivision,
27 classification, or reclassification of land. However, this section
28 does not preclude dedications of land or easements within the proposed
29 development or plat which the county, city, town, or other municipal
30 corporation can demonstrate are reasonably necessary as a direct result
31 of the proposed development or plat to which the dedication of land or
32 easement is to apply.

33 This section does not prohibit voluntary agreements with counties,
34 cities, towns, or other municipal corporations that allow a payment in
35 lieu of a dedication of land or to mitigate a direct impact that has
36 been identified as a consequence of a proposed development,
37 subdivision, or plat. A local government shall not use such voluntary

1 agreements for local off-site transportation improvements within the
2 geographic boundaries of the area or areas covered by an adopted
3 transportation program authorized by chapter 39.92 RCW. Any such
4 voluntary agreement is subject to the following provisions:

5 (1) The payment shall be held in a reserve account and may only be
6 expended to fund a capital improvement agreed upon by the parties to
7 mitigate the identified, direct impact;

8 (2) The payment shall be expended in all cases within five years of
9 collection; and

10 (3) Any payment not so expended shall be refunded with interest to
11 be calculated from the original date the deposit was received by the
12 county and at the same rate applied to tax refunds pursuant to RCW
13 84.69.100; however, if the payment is not expended within five years
14 due to delay attributable to the developer, the payment shall be
15 refunded without interest.

16 No county, city, town, or other municipal corporation shall require
17 any payment as part of such a voluntary agreement which the county,
18 city, town, or other municipal corporation cannot establish is
19 reasonably necessary as a direct result of the proposed development or
20 plat.

21 Nothing in this section prohibits cities, towns, counties, or other
22 municipal corporations from collecting reasonable fees from an
23 applicant for a permit or other governmental approval to cover the cost
24 to the city, town, county, or other municipal corporation of processing
25 applications, inspecting and reviewing plans, or preparing detailed
26 statements required by chapter 43.21C RCW.

27 This section does not limit the existing authority of any county,
28 city, town, or other municipal corporation to impose special
29 assessments on property specifically benefitted thereby in the manner
30 prescribed by law.

31 Nothing in this section prohibits counties, cities, or towns from
32 imposing or permits counties, cities, or towns to impose water, sewer,
33 natural gas, drainage utility, and drainage system charges: PROVIDED,
34 That no such charge shall exceed the proportionate share of such
35 utility or system's capital costs which the county, city, or town can
36 demonstrate are attributable to the property being charged: PROVIDED
37 FURTHER, That these provisions shall not be interpreted to expand or

1 contract any existing authority of counties, cities, or towns to impose
2 such charges.

3 Nothing in this section prohibits a transportation benefit district
4 from imposing fees or charges authorized in RCW 36.73.120 nor prohibits
5 the legislative authority of a county, city, or town from approving the
6 imposition of such fees within a transportation benefit district.

7 Nothing in this section prohibits counties, cities, or towns from
8 imposing transportation impact fees authorized pursuant to chapter
9 39.92 RCW.

10 Nothing in this section prohibits counties, cities, or towns from
11 requiring property owners to provide relocation assistance to tenants
12 under RCW 59.18.440 and 59.18.450.

13 Nothing in this section limits the authority of counties, cities,
14 or towns to implement programs consistent with RCW 36.70A.540, nor to
15 enforce agreements made pursuant to such programs.

16 This section does not apply to special purpose districts formed and
17 acting pursuant to Titles 54, 57, or 87 RCW, nor is the authority
18 conferred by these titles affected.

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